



### Brazil

Broiler meat production continued to expand, increasing from 8.41 million metric tons (MMT) in 2004 to an estimated 9.36 MMT in 2005 and are forecast to reach 10.04 MMT in 2006. Brazil's poultry exports topped \$3.5 billion in 2005, up 35 percent from \$2.6 billion in 2004.

The increase in broiler production will likely be driven by higher domestic demand and a smaller increase in exports compared to last year. Higher domestic interest rates combined with higher production costs could reduce producer profits.

Economic analysts foresee economic growth in the range of 4 percent, lower inflation, a drop in unemployment and higher real income. These indicators are likely to influence consumer confidence as domestic consumption supports growth in 2006. In addition, because of an election year, additional federal funding for social programs to fight hunger and improve nutritional levels of the poor will help increase broiler demand – the lowest priced source of animal protein in Brazil.

Broiler exports are projected to reach nearly 3 MMT in 2006, up 5 percent compared to a 15 percent increase in volume in 2005. Exports are likely to be under pressure due to the strength of Brazilian currency relative to the U.S. dollar and a possible drop in poultry consumption in some world markets due to concerns with the spread of Avian Influenza.

In 2005, Japan became the largest market for Brazil's broiler exports, mostly broiler parts. Exports to Japan increased by 24 percent in volume, and by 34 percent in value. Problems with Avian Influenza in Asia explain most of the increase in exports to Japan.

The European Union was the second largest market for Brazilian broiler exports, mostly broiler parts, with an increase of 24.9 percent in volume, and 34 percent in value. The increase in broiler exports to the European Union also reflects a significant increase in exports of processed broilers. The European Union market accounted for nearly 80 percent of all processed broiler exports from Brazil.

Saudi Arabia, traditionally Brazil's largest single export market for poultry, now ranks third. In 2005, Saudi Arabia increased imports of Brazilian broilers, mostly for whole broilers, 14 percent in volume and 38 percent in value. Saudi Arabia also accounted for nearly 45 percent of all Brazilian broiler exports to the Middle East.

Russia remained as the 4th largest market for Brazilian broiler exports in 2005 despite quota restrictions. Shipments to Russia totaled 258,187 metric tons, up 34 percent from 2004. The value of broiler exports to Russia was significantly up in 2005 by 65 percent, reflecting a larger increase in broiler parts.

Source: USDA/FAS

### U.S. Adds Argentina to the List of Regions Considered Free of Exotic Newcastle Disease

On January 30, 2006 the Federal Register posted an announcement adding Argentina to the list of regions considered free of exotic Newcastle disease. Argentina was also added to the list of regions that, although declared free of exotic Newcastle diseases, must provide an additional certification to confirm that any poultry or poultry products offered for importation into the U.S. originate in a region free of the disease. Certification must also ensure that prior to importation into the U.S. the poultry/poultry products were not commingled with poultry/poultry products from regions where exotic Newcastle disease exists.

Argentina has great expectations for the opening of the U.S. market. Traders believe the market will move slowly, with many things to learn and adjust. Frozen breasts seem to have the greatest market potential.

Argentina's major export markets are China, Chile, South Africa, Germany, The Netherlands, Saudi Arabia and Russia. China is Argentina's largest poultry market volume wise, mainly chicken paws and wings. In 2005 Argentina exported 20,035 tons of poultry by-products to China valued at \$12.4 million.

Chile and Argentina have a private agreement to limit Argentine poultry exports to about 1,000 tons a month. In 2005 chicken meat exports to Chile totaled 14,948 MT (\$15.4 million). Argentina exported 7,176 MT of chicken meat and 5,161 of poultry by-products to South Africa in 2005, with a value of \$9.9 million. Chicken meat exports to Germany totaled 5,569 MT (\$12.2 million), The Netherlands 5,562 MT (\$9.6 million), Saudi Arabia 6,027 MT (\$6.7 million) and Russian 8,297 MT (\$8.9 million).

Source: Federal Register, USDA/FAS, Senasa Argentina

### Brazil Poultry Meat Exports, January-December, in metric tons

Exports	Broiler Meat		Turkey Meat	
	2004	2005	2004	2005
Angola	34,648	28,385	2,086	2,580
China	60,176	116,552		
EU	309,685	387,819	80,731	95,551
Hong Kong	179,299	156,337		
Japan	325,959	404,770		
Kuwait	102,674	141,500		
Russia	200,944	258,187	8,406	14,619
Saudi Arabia	333,223	380,523		
Singapore	66,387	74,463		
South Africa	130,703	148,882	14,948	12,971
UAE	121,740	131,737		
Venezuela	68,538	102,907		
Others	535,720	513,884	30,299	34,950
Total	2,469,696	2,845,946	136,470	160,671

Source: USDA/FAS

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending January 28, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	261	158	832	984
Frozen	0	0	40	0
Dried	0	1	0	7
Total	261	159	872	991

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending January 28, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	125	260	237	839
Frozen	11	5	106	64
Dried	0	0	0	120
Total	136	265	343	1,023

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending January 28, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	0	0
Extra Large	450	7,200	2,430	13,200
Large	570	14,508	3,090	33,965
Medium	0	0	180	2,715
Ungraded	0	0	900	0
Misc	0	0	0	0
Total	1,020	21,708	6,600	49,880

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section  
Source: USDA/AMS Poultry Programs, Market News Branch.**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E 28-Jan-06 (PRELIMINARY)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,408	1,330	2,738
Last Week	1,498	1,410	2,908
Same week yr ago	1,307	1,024	2,331
To-date/2006	5,668	5,489	11,157
To-date/2005	5,854	4,931	10,785

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	304	4	308
Last Week	256	0	256
Same week yr ago	315	0	315
To-date/2006	984	7	991
To-date/2005	1,403	0	1,403

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**Total U.S. Fowl slaughtered in the U.S. and Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,712	1,334	3,046
Last Week	1,754	1,410	3,164
Same week yr ago	1,622	1,024	2,646
To-date/2006	6,652	5,496	12,148
To-date/2005	7,257	4,931	12,188

Source: USDA/AMS Poultry Programs, Market News Branch

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Feb 03, 2006

**CHICKEN WITH SKIN ADDED**

--- PRICES ---		---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	19.00	122,400	-
WTD AVERAGE		19.00		
15-20%				
RANGE	14.50-21.00	13.00-18.00	1,586,800	408,000
WTD AVERAGE	18.41	14.67		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Feb 03, 2006

**CHICKEN WITH SKIN ADDED**

--- PRICES ---		---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.50	17.00-19.00	626,000	162,000
WTD AVERAGE	17.50	17.71		
15-20%				
RANGE	14.00-21.00	13.00-18.00	1,926,000	1,206,000
WTD AVERAGE	18.45	15.74		
20% OR MORE				
RANGE	-	14.00	80,000	-
WTD AVERAGE		14.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 3 FEBRUARY 2006.

The market tone on tom breast meat, destrapped tenderloins and breast trim was steady to instances weak, however isolated instances of increased confidence was noted. The market tone on the balance of white meat was mostly steady. Demand in a full range, mostly light to moderate. Export demand light. Offerings of scapula and wing meat with skin light to adequate, balance of white meat adequate to sometimes ample. Trading was active on fresh tom breast meat for domestic shipments and on fresh tom drums for export, balance slow to moderate. For domestic (rib breasts): Grade A non-basted 125, 12-14 lb. 145-155, 14-16 lb. 160, 16-20 lb. 170; plant grade non-basted - 10-12 lb. 140, 12-14 lb. 150-160, 14-16 lb. 155, 16-18 lb. 168-170, 18-20 lb. 168, 20-24 lb. 165-168; plant grade basted 16-20 lb. 170, drummettes 39, fresh scapula 112-123 mostly 112-114, fresh ground breast trim 132 For export: fresh tom drums 40, fresh thigh meat 95 cents delivered.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, FEBRUARY 03, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		R	40.50	80	39.56	360
WINGS FULL-CUT - TOMS		W	22.00	280	22.00	280
WINGS, V-TYPE, TOM		T	31.00	208	31.00	208
TAILS		W	34.00	26	34.00	26
MECHANICALLY SEPARATED 2/	19.50-21.00		19.90	200	19.92	240
THIGH MEAT - FROZEN	94.00		94.00	40	94.45	754

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, FEBRUARY 02, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	40.00-41.00		40.50	80
WINGS FULL-CUT - TOMS		W	22.00	280
WINGS, V-TYPE, TOM		T	31.00	208
TAILS		W	34.00	26
MECHANICALLY SEPARATED 2/	20.00		20.00	40
THIGH MEAT - FROZEN		W	94.37	594

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, FEBRUARY 01, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	41.00		41.00	40
WINGS FULL-CUT - TOMS	22.00		22.00	280
WINGS, V-TYPE, TOM		T	31.00	208
TAILS	34.00		34.00	26
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	92.00-97.00		94.37	594

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, JANUARY 31, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	38.00		38.00	160
WINGS FULL-CUT - TOMS		R	20.00	52
WINGS, V-TYPE, TOM	31.00		31.00	208
TAILS		W	34.00	15
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	95.00		95.00	120

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, JANUARY 30, 2006</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	41.00		41.00	80
WINGS FULL-CUT - TOMS		R	20.00	52
WINGS, V-TYPE, TOM				
TAILS		W	34.00	15
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		R	88.00	52

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.